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DD/S&T# 2/37-23

OEL 294-73

12 JUL 1973

MEMORANDUM FOR: Deputy Director for Science and Technology

SUBJECT: Establishment of ADP Resource Allocations for Services from OJCS/DD/M&S

REFERENCE: Draft memorandum from DD/M&S to DD/S&T, et al., Same subject

1. OEL feels fully supportive of the basic thrust of the OJCS effort to, for the first time, control Agency computer resources. As the initial allocation for FY 74 it appears not unreasonable to utilize the same level of activity as that of FY 73, Agency-wide.

2. With regard to the control point for transfers within each of the five major categories, there are pros and cons as to whether this should best be done at the OJCS level or within the Directorates. Presumably it is necessary, from OJCS's point of view, to forbid transferring between major categories.

3. With the obvious recommendation from OJCS that control be established at the Directorate level, this Office recommends strongly that the DD/S&T Staff be the official focal point within the Directorate for reallocation within categories between Offices.

4. The reference mentions performance reports on a monthly basis, and it is presumed that these will be automatically distributed by OJCS.

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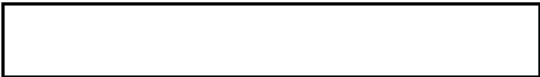**FILE COPY**

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5.   The difficult job lies in establishing criteria for authorizing within the Directorate requests for reallocations. Some attempt should be made at defining these criteria prior to the implementation of such a control system. As always, it would be assumed that OJCS would keep a "kitty" to hedge against valid requests at their level which exceed the original allocations to each Directorate. Accordingly, the same assumption, from this Office's point of view, would apply to the DD/S&T initial allocations. The reserve account mentioned in the reference specifically to be used for rerun of batch processing at ten percent of the total amount would presumably be a separate "kitty".

6.   As also mentioned in the reference, there are some specific questions which arise that need to be solved, probably by an ad hoc staff to work out the decisions of the Management Committee. One of these questions would be that of time delays sometimes amounting to 30 or 40 minutes in getting response to questions from remote terminals. Would this computer time be charged to the Office involved? Another example of a problem area would be whenever the system is changed and the job control language is modified to include this change without notification reaching the user. This causes use or loss of time by being rejected from batch processing because of improper addressing.

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JAMES V. HIRSCH
Acting Director of ELINT
DD/S&T

D R A F T

MEMORANDUM FOR: Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science and Technology

SUBJECT : Establishment of ADP Resource Allocations
for Services from OJCS/DD/M&S

1. In order to improve management's control over the level of
ADP resources and to stimulate more cost consciousness on the part of
users in their demands for computer services, I wish to implement a
User ADP Resource Allocation System in OJCS.

2. Under this system, a credit allocation for services from
OJCS will be established for each user Office. The price of services
used will be reported monthly by OJCS to each user Office. In general,
a user Office may not demand services from OJCS in excess of its
allocation. Changes in allocation may, however, be effected as indicated
in the attachment.

3. Initial allocations are to be established for FY 1974 by
16 July 1973. Allocations will be made in dollars and will be equal to
resources used in FY 1973. OPPB will oversee the manner of setting
allocations and will adjudicate any Directorate appeals for additional
allocations. This ADP Resource Allocation System, however, is
completely independent of the Agency's budgetary allotment system.
A description of the ADP Resource Allocation System is attached.

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HAROLD L. BROWNMAN
Deputy Director
for
Management and Services

Attachment: a/s

ADP RESOURCE ALLOCATION SYSTEM

1. The ADP Resource Allocation System provides a mechanism for management to monitor and control the use of ADP resources. The overall objective is to give user management a larger role in planning the level and type of ADP support they require within established constraints. Growth of ADP resources will be controlled through more deliberate planning of activity levels for existing or future projects. The system will cause users to set priorities among their various projects.

2. For purposes of allocation, OJCS resources will be subdivided into five major categories, as follows:

  Manpower
  Batch Processing (360/OS)
  Time Sharing (360/CP)
  Data Preparation and Card Processing
  Other

For FY 1974, resources for these categories will be allocated individually to users on a yearly basis. Yearly implies that once the allocation is made, the user chooses his own timing and rate of actually using the various resources.

3. The allocations set up for FY 1974 will maintain the same level of activity for FY 1974 as that of FY 1973. Allocations will be made at the Office and Directorate levels. Each user Office will be allocated the same total dollars for each of the five major categories as that billed by OJCS in FY 1973. A special reserve account will be set up for each Directorate. Funds may be transferred from Office to Office. All transfers must always be within one of the five categories. For example, dollars can move from Office A's Batch Processing account to Office B's Batch Processing account. Dollar transfers cannot be made between unlike categories, such as Manpower to Batch Processing.

Necessary from OJCS standpoint

4. Once the allocation for the Fiscal Year is made, the total dollars for each category will remain constant for that year. Performance reports will reflect actual monthly activity versus a monthly straight line projection, actual year-to-date activity versus a year-to-date straight line projection, and total yearly allocation versus total remaining allocation.

Automatic from OJCS?

5. If an Office is about to exceed its allocation, there are sever options it may pursue. First, it should review remaining requirements for possible elimination of lower priority projects in an effort to free up the needed allocation. If this cannot be done, it can request an additional allocation from its own Directorate. Depending on the merits of the case, the Directorate can increase the allocation of the requesting Office by either charging the Directorate reserve or the account of another Office within that Directorate. However, if this action cannot be taken and the Directorate feels justified, it can request aid from other Directorates via OPPB. OPPB can undertake to determine where an excess allocation may exist and to broker the necessary transfers. If there is no allocation available, OPPB will recommend to DD/M&S what action should be taken. Approval would result in granting the requesting Office additional allocation. Disapproval would necessarily deny to the requesting Office the services requested.

6. Over time it will be necessary to revise the price rate structure to reflect changes in both the types of services provided and the technology required. When rate changes are effected, provision will be made such that existing allocations will not be reduced.

7. OJCS will maintain a reserve account which will be allocated especially for the rerun* of Batch Processing. Funds will be made available for this account by computing the total Batch Processing allocation at 10% below the total actually available. This action is not meant to reduce current levels of batch activity but merely recognizes that users will not want some jobs charged to their accounts if the jobs in question were considered to have errors outside the users' control. When users' accounts are credited for jobs of this nature, the sum of these transactions will be balanced against the OJCS rerun reserve.

8. OJCS will have an allocation set for those activities not considered to be direct overhead. It should be noted that OJCS is both a supplier and user of ADP resources. In order to control those overhead activities related to the supplier aspect, an internal cost system is necessary and is to be addressed. As a user, however, OJCS has been billing itself and will continue to do so in the future.

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* Reruns are computer jobs that require reprocessing and are not billed to the user.

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21 JUN 1973

MEMORANDUM FOR: Deputy Director for Science and
                   Technology

        Carl:

        I would like to discuss the
establishment of an ADP resource allocation system
for services from the Office of Joint Computer Sup-
port at the next meeting of the Management Committee.
A proposal to launch such a system is attached for
your review.

        I realize that the proposal will
raise questions and may cause some misgivings, but
I believe the principle of allocating resources is
sound. I would hope to be able to start with the
attached proposal even if we have to acknowledge
that it is only a start, but that we will learn as
we go with the idea that next year we may be able
to implement a more enduring system.

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                HAROLD L. BROWNMAN
                  Deputy Director
                        for
              Management and Services

Att.